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ABSTRACT

Supporting performance objective 31 of the V-TECS (Vocational-Technical Education Consortium of States) Secretarial Catalog, both a set of student materials and an instructor's manual on computing the balance column amount in ledger accounts are included in this packet, which is one of a series. The student materials include a record of a customer's transactions and three problems for which the student must compute the proper balances. The instructor's manual includes related notes to the teacher and an answer key for evaluating the completed task. (EM)

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ED155452

COMPUTING BALANCE COLUMN AMOUNT IN LEDGER ACCOUNTS

STUDENT MANUAL

Prepared by

Mrs. Peggy C. McElveen

These materials support
Performance Objective 31 of the
V-TECS Secretarial Catalog

State Department of Education
Office of Vocational Education
Office Occupations Education
Columbia, South Carolina 29201

In Cooperation With

Vocational Education Media Center
Clemson University
Clemson, South Carolina 29631

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STUDENT MATERIALS

COMPUTING BALANCE COLUMN AMOUNT IN LEDGER ACCOUNTS

INTRODUCTION

All business firms must keep accurate records of the amounts other firms owe them (accounts receivable) and the amount they owe to other firms (accounts payable). These records are kept in two types of subsidiary ledgers, the accounts receivable ledger and the accounts payable ledger. In this way, similar accounts are placed together in one separate ledger. The general ledger acts as a controlling account for the accounts receivable and accounts payable totals. In the following activities you will be given several accounts receivable and accounts payable ledger accounts and will then compute the correct balance amounts. Be sure to check your totals twice!

PERFORMANCE OBJECTIVE

Given accounts receivable and accounts payable ledger accounts with debit and credit entries, compute the proper balances with 100% accuracy.

INSTRUCTIONS

The accounts receivable ledger is a record of the amount of money that is owed to the firm by its customers. Each customer has a sheet in the ledger. Each time he/she purchases goods from our firm on credit the account is debited. When he/she pays on the account, his/her ledger sheet is credited.

Below is the ledger sheet for Mr. John Smathers. He made purchases on credit from our firm on May 1, 2, 7, 12, and 15. Each time he made a purchase using credit, we debited his account. On May 5 and 9 he paid us. Each time he did so we credited his account. After each debit and credit on his ledger sheet we kept a running balance of the amount of money he owed us.

To find the balance of an accounts receivable ledger sheet, debits are always added and credits are subtracted.

Name John Smathers

Address 306 Patterson Avenue; Spartanburg, SC 29301

DATE		ITEMS	Post. Ref.	✓	DEBITS	✓	CREDITS	BALANCE
May	1				(+) 672.20			672.20
	2				(+) 341.40			1013.60
	5						(-) 672.20	341.40
	7				(+) 452.90			794.30
	9						(-) 341.40	452.90
	12				(+) 481.25			934.15
	15				(+) 235.12			1169.27

The accounts payable ledger is a record of the amount of money that our firm owes to others. Each of our creditors has a sheet in the accounts payable ledger. Each time we purchase goods on credit, we credit their account. When we make a payment to any of our creditors, we debit the account.

Below is the ledger sheet for Thomas Brothers, one of our creditors. On May 6, 8, 14, 18, 22, and 24 we made purchases using credit. Payments were made on May 10, 16, and 23.

To find the balance of an accounts payable ledger sheet, credits are always added and debits are subtracted.

Name: Thomas Brothers

Address: 1540 Paramount Road; Charleston Heights, SC 34986

DATE		ITEM	Post. Ref.	✓	DEBIT	✓	CREDIT	BALANCE
19–May	6						(+) 404 20	404 20
	8						506 80	911 00
	10				(–) 404 20			506 80
	14						(+) 673 20	1180 00
	16				(–) 506 80			673 20
	18						(+) 231 60	904 80
	22						(+) 271 50	1176 30
	23				(–) 673 20			503 10
	24						(+) 486 50	989 60

After you finish studying the accounts receivable and accounts payable ledger sheets, remove the two accounts receivable ledger sheets and the accounts payable ledger sheets from this pocket. You will notice that there have been both debit and credit entries recorded. You are to compute the balance for each of these ledger sheets.

After you have completed this task take your ledger sheets to your instructor for evaluation.

Problem 1 – Compute Balance

ACCOUNTS PAYABLE

DATE		ITEMS	Post. Ref.	✓	DEBITS	✓	CREDITS	BALANCE
19-- June	3						460 00	
	5						270 00	
	8				460 00			
	11						320 00	
	16				270 00			
	23				320 00			
	26						408 10	
	29						532 91	
	30				408 10			

Type of Balance _____

Problem 2 – Compute Balance

ACCOUNTS PAYABLE

DATE		ITEMS	Post. Ref.	✓	DEBITS	✓	CREDITS	BALANCE
19 April	9						291 10	
	15				291 10			
	17						855 16	
	19						209 10	
	21				855 16			
	22						209 16	
	25				209 10			
	28						755 17	
	30						231 65	

Type of Balance _____

Problem 3 – Compute Balance

ACCOUNTS RECEIVABLE

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	BALANCE
19-- July	2			264 00		
	5			481 50		
	9				264 00	
	12			381 00		
	20			496 50		
	23				481 50	
	25			671 80		
	27				381 00	
	29			296 15		
	30				496 50	

Type of Balance _____

Problem 4 – Compute Balance

ACCOUNTS RECEIVABLE

DATE		ITEMS	Post. Ref.	DEBIT	CREDIT	BALANCE
19-- Mar.	1			840 12		
	4			291 16		
	9				840 12	
	17			231 62		
	23			481 95		
	25				291 16	
	26				231 62	
	30			402 61		
	31				481 95	

Type of Balance _____

COMPUTING BALANCE COLUMN AMOUNT IN LEDGER ACCOUNTS

INSTRUCTOR'S MANUAL

Prepared by

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NOTES TO THE TEACHER

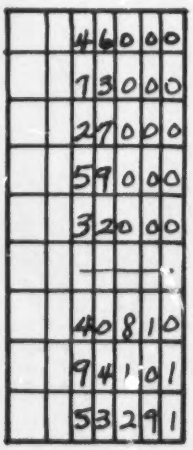
In this packet the student will learn to compute the balance columns in accounts receivable and accounts payable ledgers.

Each time a student uses this packet, it will be necessary to replace the duplicated accounts receivable and accounts payable ledger sheets with debits and credits recorded, which are in the student manual. Blank copies of accounts receivable and accounts payable ledger sheets are included for your use should you care to change the problems.

Also, a teacher's key is included.

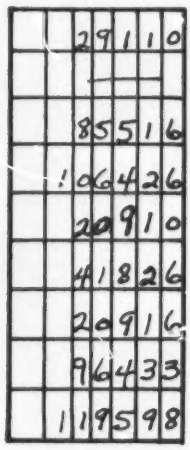
TEACHER'S KEY

Problem No. 1 - Balance Column



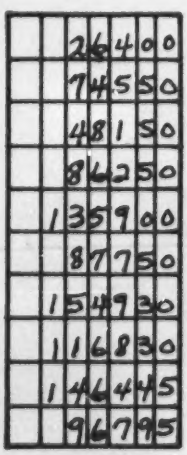
Type of Balance
Credit

Problem No. 2 - Balance Column



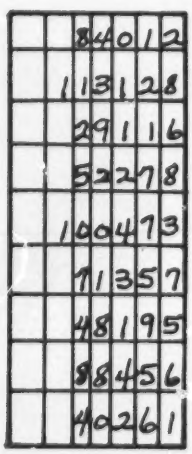
Type of Balance
Credit

Problem No. 3 - Balance Column



Type of Balance
Debit

Problem No. 4 - Balance Column



Type of Balance
Debit

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ACCOUNTS PAYABLE LEDGER

Name

Address

Date	Item	Post. Ref.	Debit	Credit	Credit Balance

Name

Address

Date	Item	Post. Ref.	Debit	Credit	Credit Balance

12.

ACCOUNTS RECEIVABLE LEDGER

| Name | | |